Circulars/Notifications - Domestic Market & Monetary Management Department

DMMD Circular No. 22 of 2019 **September 03, 2019**

The Presidents/Chief Executive Officers
All Banks/Primary Dealers

Dear Sirs/Madams,

Floating Rate Pakistan Investment Bonds

Please refer to DMMD Circular no. 09 dated May 07, 2018, in which detailed guidelines regarding issuance and other operational details of Floating Rate Pakistan Investment Bonds (PIBs) have been specified.

Government of Pakistan (GOP) has decided that Floating Rate PIBs may also be auctioned as re-opening of previously issued Floating Rate PIBs. The re-opening auction mechanism of Floating Rate PIBs will be as under:

1. Re-opening auctions of Floating Rate PIBs will be conducted through uniform price competitive bidding auction process.
2. PDs will submit competitive bids in terms of price (up to four decimal points).
3. The cut-off price, at which GOP decides to accept bids, in the re-opening auction will apply uniformly to all accepted bids.
4. Coupon rate on Floating Rate PIBs offered in re-opening auctions will be the same as determined in the first auction of respective issue of the bond and reset at the start of each coupon period, in accordance with instructions issued vide DMMD Circular no 16 of 2019.
5. The successful bidders will make the settlement on settlement date at the amount calculated as per accepted price plus accrued interest for the number of days lapsed since start of the coupon period based on respective coupon rate.
6. All other auction rules and procedures will remain the same.

All other instructions on the subject will remain unchanged.

Yours truly,

Sd/-

(Rizwana Rifat)
Senior Joint Director

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